47

Christine A. Cappiello
Director
Government Relations

Anthem Blue Cross and Blue Shield
370 Bassett Road
North Haven, CT 06473
Tel 203 985-6360
Fax 203 234-5157
christine.cappiello@anthem.com

Anthem.

February 5, 2009

Statement
Of
Anthem Blue Cross and Blue Shield
On
SB 47 An Act Concerning Health Care Provider Contracts

Good afternoon Senator Crisco, Representative Fontana and members of the Insurance Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield. I am here today to against **SB 47 An Act Concerning Health Care Provider Contracts.**

We are strongly opposed to **SB 47** because while we realize the goal of the bill is to establish a set of standards for health insurance plans and the providers that they contract with, this bill has numerous and financially crippling problems in the implementation of that goal. Coupled with the fact that this legislation will do nothing to help the consumer and will only raise the cost of their premium.

To begin, requiring us to obtain a signature for any change to the contract between ourselves and the provider is completely unrealistic. There are changes that are made to the contract that we have no control over, things like changes in Medicare methodology, etc. Currently, our contracts allow us to make changes to the contract with a 90 days written notice to the provider. With thousands of providers – we have over 5000 physician providers and 12,000 ancillary providers - it is not practical to require signatures from both parties to make changes to the contract.

To continue, requiring us to perform an investigation on claims that are improperly coded will cripple our claims processing system and again raise costs substantially. The concept of properly coding health insurance claims is not about patient care or denial of care, it is about payment for services already provided. At Anthem Blue Cross and Blue Shield we process over 6 million claims a year. Some of those claims come to Anthem improperly coded for a variety of reasons and first receiving approval would cripple the system, which

pays many of those claims in less than 30 days. We have worked hard to get our claims processing to a place where providers are paid quickly and efficiently, this section would remove that efficiency by requiring us to perform an investigation on improperly coded claims. As I said earlier, the concept of properly coding health insurance claims is ***not about*** patient care or denial of care, it is about payment for services already provided. Allow me to take a moment to speak about the process that takes place with coding health insurance claims.

Doctors' submit claims to us once the service has been performed on the patient. Doctors' bill with codes that are located in the CPT code book. The CPT codebook is a nationally recognized book that is put out by the American Medical Association. The codes are based on procedures. There are codes for single procedures and codes for a combination of procedures. When a combination of services take place, doctors are supposed to use the codes for the combination procedures; however, occasionally this does not take place and single codes are used in order to get a higher payment. When that occurs, we correctly code the claim and send payment that reflects that change.

This section would not allow us to properly check codes and subsequently will increase the cost of health care. In recent years, we realized $22 million dollars attributed to improperly coded procedures. This certainly is a significant amount of money in an area that finds it facing pressure to provide more coverage while keeping costs to a minimum.

SB 47 will severely impact our ability to provide the highest quality of service to our members and we strongly urge the Committee to defeat this legislation.